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and dividends of gas companies as better than the American system of occasional rate regulation. He develops a new system of control which he calls the "merit rating method," and which he recommends as better than either of the above methods. Under the merit rating method the state commission "will periodically rate the companies on the basis of comparative efficiency in serving the public and allow them to earn dividends varying with such efficiency." This is an interesting suggestion, and one worthy of careful consideration by all who are interested in the general problem of public service control.

WORCESTER, DEAN C. *The Philippines, Past and Present*. (2 vols.) Pp. xvi, 1024. Price, \$6.00. New York: The Macmillan Company, 1914.

WRIGHTINGTON, S. R. and ROLLINS, W. A. *Tax Exempt and Taxable Investment Securities*. Pp. 234. Price, \$3.50. Boston: The Financial Publishing Company, 1913.

REVIEWS

BEARD, CHARLES A. *Contemporary American History. 1877-1913*. Pp. vii, 397. Price, \$1.50. New York: The Macmillan Company, 1914.

A book of this nature lies in the border zone between history and politics. Because of the difficulty of securing a proper perspective of recent events, American histories usually leave the student stranded somewhere between the period of reconstruction and the Spanish-American war. On the other hand, books on American government frequently lack the historical background necessary for a proper understanding of current events. To bridge this gap is a contribution of value to students of history and government, and to the general reader who desires a brief summary of the conditions and tendencies underlying present American problems.

The author abandons the usual chronological method of history for the topical method, and subordinates minor details to broad movements. One chapter is given to the restoration of white control in the governments of the Southern States. Another traces the economic revolution following the Civil War. Others deal with party issues during the past quarter-century, with the growth of imperialism, the development of capitalism, and the various manifestations of dissent as expressed in numerous minor parties. The policies of Roosevelt and the causes of republican disintegration in the campaign of 1912 are given especial attention.

Perhaps the most interesting chapter to the student of government is the one entitled the revolution in politics and law. This is a valuable digest of the theory and decisions of the supreme court in interpreting the fourteenth amendment to the federal Constitution as the bulwark of property rights against legislative interference. The author gives evidence to show that the framers of this amendment had in mind a far wider purpose than the safeguarding of the newly emancipated slaves from their former masters, and that they deliberately intended to nationalize the prevalent theory of *laissez-faire* in business matters against attempts at control on the part of law-making bodies in the commonwealths. The various steps by which the federal courts developed the power of judicial review over attempts of state legislatures to regu-

late corporations and labor are an interesting phase of the growth of our unwritten Constitution.

In tracing the underlying causes of recent American development, more than usual emphasis is laid on economic and social factors, and the close connection between business and politics is insisted upon throughout. While aiming at strict impartiality in statements of fact and in interpretation, the author's sympathy with what are generally called radical movements is also evident. As a stimulus to thought and as a basis for discussion this book will prove of the greatest value.

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BILGRAM, HUGO. In collaboration with Louis Edward Levy. *Cause of Business Depression*. Pp. xvii, 531. Price, \$2.00. Philadelphia: J. B. Lippincott Company, 1914.

Although intended as an explanation of periods of commercial depression, revealed by an analysis of the basic principles of economics, this volume becomes, by reason of the authors devoting 361 out of 531 pages to the analysis of economic principles, rather a text on economics than a study in a definite field. The first portion deals with value, prices, money and credit; the second with the distribution of wealth; the third with restraints on industry, including a chapter mathematically describing the periods of the trade cycle; and the remainder of the book (151 pages) is devoted to an explanation of a proposed system of currency reform and its effects.

In the opinion of the authors, fluctuations in business are due to the fact that our money is limited, partly by natural conditions and principally by law. As a remedy it is proposed to remove the legal limitation of the use of credit as a medium of exchange which prevents the supply of money from meeting the demand. The following methods are advocated:

1. Broaden the range of securities acceptable from the agents of issue by the treasury as a basis for bank notes. Liens on real property are suggested as desirable for this purpose.

2. Notes issued on this basis to be redeemable in gold from a fund in the custody of the government. Such fund is to be supplied by the banks applying for currency.

3. An insurance fund to secure deposits, to be created by requiring all banks to deposit, say 2 per cent of their capital and surplus.

4. The formation of a credit clearance system by composing societies of business men in their respective localities.

The new currency law is considered by the authors to be a step in the right direction, but not sufficient to correct the evils.

The present monetary system by placing restrictions upon the issuance of currency gives to money a power which it would not otherwise possess, in the authors' opinion. Since the quantity is insufficient for the needs of the community money becomes desirable, thereby obtaining the power to command an unearned income as a return to lenders of money and owners of capital.

One criticism which might be made is that although the authors state "this study must begin with observation of facts and classification of statistics,